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CARDIN HAILS PASSAGE OF LEGISLATION TO HELP PROVIDE LEGAL ASSISTANCE FOR LOW-INCOME AMERICANS

Legislation Fixes Oversight in Wall Street Reform Legislation

Washington, DC – **U.S. Senator Benjamin L. Cardin**, a member of the Senate Judiciary Committee, praised Senate passage today of legislation (H.R. 6398) that will ensure the continuation of legal assistance to low-income Americans. The bill extends FDIC insurance protections to the Interest on Lawyer Trust Accounts (IOLTA), which are used to hold client funds that cannot earn interest for an individual client. If no action had been taken, these protections would have expired December 31, 2010 when the Wall Street reform law becomes effective.

“This legislation fixes a critical oversight made during the passage of the Wall Street reform legislation,” **said Senator Cardin**. “I am pleased that Congress has acted to make sure that IOLTA funds are not interrupted or services reduced for low-income Marylanders in these hard economic times, when demand for legal support is on the rise.”

By pooling these accounts, which can contain nominal amounts of funds or funds that are held for a very short period of time, IOLTA generates interest that is used to support civil legal aid to the poor, the administration of justice, and law-related education programs. The IOLTA program comes at no cost to the government. All 50 states maintain IOLTA accounts, and 42 states require lawyers to use these accounts when holding clients’ funds in trust.

In Maryland, since the IOLTA program was created in 1982, the Maryland Legal Services Corporation (MLSC) has made grants of more than \$138 million to help provide civil legal assistance to low-income Marylanders in more than 1.7 million legal matters. MLSC made \$14.9 million in grants in 2009, with the grantees handling more than 124,000 cases.

“Marylanders can take comfort that the IOLTA program will continue to help them with their legal needs, on a wide range of issues including housing, employment, family matters, public benefits, discrimination, and disability issues,” **Senator Cardin added**.

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